



## THE NAVAJO NATION

KELSEY A. BEGAYE  
*President*

TAYLOR MCKENZIE, M.D.  
*Vice President*

G. MICHELLE BROWN-YAZZIE, ESQ.  
*Executive Director*  
WASHINGTON OFFICE

### BY E-MAIL

December 6, 2002

Pandor Hadjy  
Assistant Deputy Administrator -- Business Programs  
Rural Business - Cooperative Service  
U.S. Department of Agriculture  
Room 5050 South Agriculture Building -- Stop 3220  
1400 Independence Avenue, S.W.  
Washington, D.C. 20250-3220

### Re: **Expanding Rural Renewable Energy Systems**

Dear Mr. Hadjy:

On behalf of the Navajo Nation, the country's largest Indian tribe, I submit these brief comments, in accordance with the Rural Business - Cooperative Service ("RBS") notice in the November 22 Federal Register (67 Fed. Reg. 70,399), regarding RBS's initiative to expand rural renewable energy systems.

The Navajo Nation, which participated in the Congressional proceedings leading to enactment of the Farm Security and Rural Investment Act of 2002 ("Farm Bill"), strongly urges RBS to formulate this program in a manner that will maximize access of the historically-underserved Navajo people to the significant energy, environmental and economic development benefits that Congress anticipated would result from implementation of Section 9006 of the Farm Bill.

**Background:** The Navajo Nation and the Navajo people occupy a unique position among American Indians. Among over 275 reservations and over 560 federally-recognized Indian tribal governments, the Navajo (i) are the largest Indian population, with over 225,000 Tribal members, constituting over 13% of all Indians, and (ii) have the largest Indian reservation, encompassing over 25,500 square miles within the states of Arizona, New Mexico and Utah, and the largest total land area (including Tribal fee and other non-trust lands), covering almost 18 million acres -- larger than the states of Connecticut, Delaware, Maryland, Massachusetts and Rhode Island combined.

Unfortunately, in certain other respects, the Navajo Nation is not unlike other Indian nations. Unemployment ranges seasonally from 36% to 50%. Per capita income averages \$5,599 (less than 1/3 of that in surrounding states), and 56% of Navajo people live below the poverty level. Basic "necessities" of life, taken for granted elsewhere in the United States, are sorely lacking in the Navajo Nation. **In fact, approximately 18,000**

**occupied structures are without electric power -- a circumstance that simply defies belief in 21st Century America!**

**Comments:** Accordingly, perhaps nowhere else in America can the RBS better achieve its stated goals “that this program ... support energy self-sufficiency and promote rural economic development” than in the Navajo Nation. Providing electric energy for thousands presently without access thereto, while at the same time exploiting the vast renewable energy potential present in the Navajo Nation, will yield a “win - win” result both for the Navajo people and the RBS.

Addressing several of the questions posed by RBS, I note:

1. *What projects should be eligible for funding?* Section 9001 of the Farm Bill defines the types of renewable energy to which Section 9006 applies, and three of those -- wind, solar and biomass -- have enormous potential for the thousands of Navajo farmers and ranchers and the many rural small businesses that operate across the Navajo Nation. Vast expanses of arid rangeland, under clear, unpolluted skies, offer an ideal opportunity to exploit solar energy from the sun. Massive plateaus, windy passes and mountaintops have long cried out for wind energy development. And, given the importance of farming and ranching to the Navajo economy, the Navajo Nation has long believed that biomass likewise offers substantial promise as a source of “home grown” renewable energy.

2. *Should certain types of projects receive priority for funding? Should certain types of projects or geographic areas be targeted and given preference for financial assistance?*

Absolutely. In order both to maximize the effectiveness of its program and to focus its resources where they are most needed, RBS should target populations and geographic areas that combine (i) a high incidence of farming and ranching (particularly where those activities are staples of the economy), (ii) an unquestioned potential for development of the types of renewable energy projects designated by the Congress, (iii) massive infrastructure deficiencies that have inhibited rural economic development, and (iv) unacceptably high levels of unemployment and poverty. And, in evaluating populations/areas that satisfy those combined criteria, two other standards should govern: (v) whether or not renewable energy is needed for purposes of pumping water required by farming and/or ranching operations, and, most importantly, (vi) whether or not the population/area is characterized by a substantial lack of access to electric energy generally.

Of course, as suggested by the background information summarized above, the Navajo Nation would satisfy all of these criteria and provide a perfect proving ground for an RBS program aimed at facilitating energy self-sufficiency and rural economic development.

3. *Should preference be given to new, innovative technologies or proven technologies?* The focus of Section 9006 is the development and use of renewable energy on farms and ranches, not the development of new technology. Other government programs and agencies have a mandate for energy research and development, but that was decidedly not the objective of Section 9006. Use of proven technologies should be preferred, so that the use of renewable energy can be enhanced without delay to the benefit of farmers/ranchers and rural economies that desperately require the incentives that the RBS program will offer.

4. *What type of financial assistance is most in need (i.e., grants, direct loans or loan guarantees)? What other factors, if any, should the Department consider in determining the amount of a grant or loan?* The Navajo Nation strongly supports grants (and, to a lesser extent, a combination of grants -- at the maximum level

allowed -- and loans). Given the high poverty levels that characterize those most in need of the benefits of this program, grants -- at the highest authorized level -- are in reality the only feasible alternative for implementing an effective, meaningful program. (In that regard, the Navajo Nation believes that it can access other Congressionally-authorized federal programs as a means of contributing all or a portion of the program matching funds that will be required of Navajo Nation grantees.)

The Navajo Nation appreciates the opportunity to comment on this very important program, and looks forward to working with RBS during future stages of its development and implementation. If there are questions, or if elaboration is required as to any of the points herein, please contact Brandy Tomhave of the Navajo Nation Washington Office (202-775-0393).

Respectfully submitted,

G. Michelle Brown-Yazzie, Esq.  
Executive Director  
Navajo Nation Washington Office